

In the United States *see 7801*
Circuit Court of Appeals
For the Ninth Circuit.

AULT AND WEIBORG, a corporation,

Complainant,

vs.

WESTERN BLIND & SCREEN CO., a corporation, also
 known as WESTERN VENETIAN BLIND CO., a cor-
 poration,

Respondents.

SAMUEL S. GELBERG, Attorney for Creditors Committee of
 WESTERN BLIND & SCREEN CO., a corporation, also
 known as WESTERN VENETIAN BLIND CO., a corpo-
 ration, and CREDITORS COMMITTEE for WESTERN
 BLIND & SCREEN CO., also known as WESTERN
 VENETIAN BLIND CO., a corporation,

Appellants,

vs.

E. C. RICHARDSON, Receiver for WESTERN BLIND &
 SCREEN CO., a corporation, also known as WESTERN
 VENETIAN BLIND CO., a corporation,

Appellee.

Transcript of Record.

Upon Appeal from the District Court of the United States for the
 Southern District of California, Central Division.

AUG 28 1935

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INDEX.

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original record are printed literally in italics; and, likewise, cancelled matter appearing in the original record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italics the two words between which the omission seems to occur.]

	PAGE
Agreed Statement of the Case.....	7
Creditors Action For Appointment of Receiver.....	8
Hearing on Petition and Order to Show Cause of Receiver and Upon Petitions of Creditors Committee and Attorney.....	48
Intervening Petition of Creditors Committee for Allowance of Expenses	31
Intervening Petition of Samuel S. Gelberg, Attorney for Creditors Committee, for Allowance of Compensation	40
Petition for Instructions as to Payment of Fees of Attorney for Creditors Committee.....	13
Exhibit "A"—Itemization of the Services Rendered by said Samuel S. Gelberg, Attorney.....	17
Minute Order.....	50
Notice to Creditors and All Parties in Interest.....	30
Order Allowing Intervention of Creditor's Committee	12
Order Authorizing Intervention of Creditor's Committee	11
Order Appointing Receiver.....	10
Order of February 16th, 1935, and Decree of United States District Court.....	50
Order Directing Appointment of Creditors Committee..	10
Order to Show Cause.....	29
Order to Show Cause and Instructions as to Payment of Attorney's Fees of Creditor's Committee.....	28
Stipulation Re Statement of the Case.....	51

	PAGE
Assignment of Errors.....	56
Citation	2
Clerk's Certificate	65
Cost Bond on Appeal.....	61
Names and Addresses of Attorneys.....	1
Order Allowing Appeal and Fixing Bond.....	55
Order of February 16, 1935, Denying Petition for At- torney's Fees.....	4
Order of April 4, 1935, Approving Bond.....	63
Petition for Order Allowing Appeal.....	53
Praecipe	64

Names and Addresses of Attorneys.

For Appellants:

SAMUEL S. GELBERG, Esq.,

Rives-Strong Building, Los Angeles, California.

For Appellee:

MITCHELL, SILBERBERG & KNUPP, Esqs.;

GUY KNUPP, Esq.,

Edwards & Wildey Building,

Los Angeles, California.

CITATION

UNITED STATES OF AMERICA, ss.

To E. C. RICHARDSON, RECEIVER Greeting:

You are hereby cited and admonished to be and appear at a United States *Circuit of Appeals* for the Ninth Circuit, to be held at the City of San Francisco, in the State of California, on the 18th day of April, A. D. 1935, pursuant to PETITION FOR ORDER ALLOWING APPEAL AND ORDER ALLOWING APPEAL OF SAMUEL S. GELBERG, ATTORNEY FOR CREDITORS COMMITTEE AND CREDITORS COMMITTEE, ETC. in the Clerk's Office of the District Court of the United States, in and for the Southern District of California, in that certain ACTION ENTITLED "AULT AND WEIBORG, a corporation, Complainant, vs. WESTERN BLIND AND SCREEN CO., a corporation, et al., Respondents and you are required to show cause, if any there be, why the Minute Order denying Petition of Samuel S. Gelberg for allowance of compensation in the said cause mentioned, should not be corrected, and speedy justice should not be done to the parties in that behalf.

WITNESS, the Honorable GEORGE COSGRAVE United States District Judge for the Southern District of California, this 18th day of March, A. D. 1935, and of the Independence of the United States, the one hundred and fifty-ninth

Geo. Cosgrave

U. S. District Judge for the Southern District of California.

UNITED STATES OF AMERICA)
 SOUTHERN DISTRICT OF CALIFORNIA) SS.
 COUNTY OF LOS ANGELES)

JOSEPH I. SIEGEL, being duly sworn, deposes and says: That he is a citizen of the United States, over the age of 21 years and not a party to the above entitled proceedings. That upon the 8th day of April, 1935, affiant served the foregoing Citation upon E. C. RICHARDSON, Receiver, by leaving a correct copy of same with said E. C. RICHARDSON, personally, at his offices in the Subway Terminal Building, 417 South Hill Street, Los Angeles, California.

Joseph I. Siegel

Subscribed and sworn to before me this 12 day of April, 1935.

[Seal]

Julia Baker

A Notary Public in and for the County of Los Angeles,
 State of California.

[Endorsed]: Filed Apr. 26, 1935. R. S. Zimmerman,
 Clerk By L. Wayne Thomas, Deputy Clerk.

At a stated term, to wit: The February Term, A. D. 1935, of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles, California, on Saturday, the 16th day of February, in the year of our Lord one thousand nine hundred and thirty-five.

Present:

The Honorable GEO. COSGRAVE, District Judge.

Ault & Weiborg, a corporation)	
	Plaintiff,)
vs.)	No. Eq. 63-C.
)	
Western Blind & Screen Company, a)	
corp.	Defendant.)	

This cause having come before the Court on February 4th, 1935, for hearing on Order to Show Cause filed January 22, 1935, on the Petition of E. C. Richardson, Receiver, directed to Complainant and Respondent, to show cause why an Order should not be made empowering the Receiver to pay Samuel S. Gelberg, \$1250.00 as counsel's fees, etc.; counsel having argued to the Court, and the Court having thereupon ordered said Petition submitted on briefs, and briefs having thereafter been filed on February 16th, 1935, the Court orders that the

appointment of a Creditors Committee in this case was in accordance with the practice in many similar cases and for the purpose of insuring to the creditors' knowledge as to how the business of the receivership was being conducted. If the creditors see fit to employ counsel or petition the court for an order that one of their selection be authorized to act as counsel that is done presumably in their own interests and for their own protection as creditors. I do not think that in the absence of a showing that the estate has been increased, rather than preserved, allowance can properly be made in this case. It would not be a wise act.

The petition of Samuel S. Gelberg for attorney's fees for service rendered the creditors is therefore denied.

Exception to petitioner.

IN THE UNITED STATES CIRCUIT COURT OF
APPEALS FOR THE NINTH CIRCUIT

---ooOoo---

AULT AND WEIBORG, a cor-)
poration,)

Complainant,)

-Vs-)

WESTERN BLIND & SCREEN)
CO., a corporation, also known as)
WESTERN VENETIAN BLIND)
CO., a corporation,)

Respondents.)

NO.

UNDOCKETED

SAMUEL S. GELBERG, Attorney)
for Creditors Committee of WEST-)
ERN BLIND & SCREEN CO., a)
corporation, also known as WEST-)
ERN VENETIAN BLIND CO.,)
a corporation, and CREDITORS)
COMMITTEE for WESTERN)
BLIND & SCREEN CO., also)
known as WESTERN VENETIAN)
BLIND CO., a corporation,)

Appellants,)

-Vs-)

E. C. RICHARDSON, Receiver for)
WESTERN BLIND & SCREEN)
CO., a corporation, also known as)
WESTERN VENETIAN BLIND)
CO., a corporation)

Appellee.)

AGREED STATEMENT OF CASE PURSUANT TO EQUITY RULE 77, UPON APPEALS FROM THE FEBRUARY 16th, 1935, ORDER MADE BY THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION.

Pursuant to the terms of Equity Rule 77, the parties hereto, believing that the questions presented by the Appeal herein of SAMUEL S. GELBERG, Attorney for the Creditors Committee for WESTERN BLIND & SCREEN CO., a corporation, also known as WESTERN VENETIAN BLIND CO., a corporation, and the Creditors Committee for WESTERN BLIND AND SCREEN CO., a corporation, also known as WESTERN VENETIAN BLIND CO., a corporation, from the Order rendered by the UNITED STATES DISTRICT COURT, in this cause, on the 16th day of February, 1935, can be determined by the UNITED STATES CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT, to which said Appeals have been allowed, without an examination of all the pleadings and evidence, present this Agreed Statement of the Case, in such Appeals, showing how the questions in each of the said Appeals arose and were decided in said UNITED STATES DISTRICT COURT and setting forth such of the facts alleged and proved, or sought to be proved, as are deemed essential to a decision of such questions by the UNITED STATES CIRCUIT OF APPEALS.

Creditors Action For Appointment of Receiver.

On September 11th, 1933, AULT & WEIBORG, a corporation of the City of New York, and State of New York, as complainants, instituted an action in its own behalf and in behalf of all other Creditors of the Defendants, who may thereafter join in the prosecution of said action, in the UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION, against WESTERN BLIND & SCREEN CO., a corporation, also known as WESTERN VENETIAN BLIND CO., a corporation, defendants, which cause is known as Number 63 C; and in its Complaint it alleged that the defendant was indebted to it in the sum of \$4,849.01; that the combined assets of said defendant corporation as of September 8th, 1933, were approximately valued at the sum of \$214,000.00 and that the combined liabilities of said defendant corporation as of said date were approximately \$180,000.00; that several creditors of said defendants corporation had threatened to institute legal proceedings against the defendant corporation and intended to enter judgment and levy execution upon the property and assets, including the business of said defendant. That although every effort had been made, defendants were unable and would be unable to secure funds sufficient to meet the necessary current and operating expenses, to make payments of its past due accounts and other obligations. That said defendants employed at their plant approximately 125 people whose salaries had to be met and which the defendants were unable to meet currently.

That said defendants were without means or collateral to affect new loans and were unable to secure sufficient moneys wherewith to meet their immediate pressing obligations. That said conditions and pressure of creditors would necessitate the discontinuance of defendants' business which would result in the loss of most of their profitable business and contracts and cause irreparable loss by reason of sacrifice of its assets through forced liquidation; that defendants business, under normal conditions is a profitable one, and that the prospects of operating said business at a profit were particularly good at that time and that the closing of said business would result in irreparable loss to the defendants and to the creditors of said defendants. That the appointment of a Receiver was necessary in order to preserve the business, prevent the filing of suits by numerous creditors and in order to effect an equitable distribution of defendant's assets amongst those entitled thereto or for an equitable readjustment of defendants financial structure and indebtedness. That the only means whereby the continuance of the defendants' business might be assured, is by the intervention of said Court and the granting of equitable relief; that the complainant had no adequate relief at law and said complaint ending in the prayer for relief by the appointment of a Receiver of all and singular, the property and assets of said defendants, etc.

On September 11th, 1933, the defendant filed an answer admitting each and every allegation of the Petition and joining in the prayer thereof, including the prayer for the appointment of a Receiver.

Order Appointing Receiver

Thereupon the Court, having jurisdiction of cause, entered an order on September 12th, 1933, in the form of a Minute Order appointing E. C. RICHARDSON, as Receiver of all the property and assets of WESTERN BLIND & SCREEN CO., a corporation, also known as WESTERN VENETIAN BLIND CO., a corporation, real personal, and mixed, of whatsoever description, within the jurisdiction of the Court. The Receiver, so appointed, duly qualified as such, and thereupon, under and by virtue of the authority of said Order, duly entered and took possession of all the property and assets of said defendants and ever since has continued to hold possession thereof and to operate said property until the liquidation thereof upon order of Court duly made and entered in said proceedings.

Order Directing Appointment of Creditors Committee

That simultaneously with the making of said order appointing Receiver and as a part of said Order, the said Court made and entered the following Minute Order:

“It is Ordered that the creditors in the above entitled matter elect a committee of not less than three, whose duty it will be to acquaint themselves as to the general progress of the Receivership; that an inventory of all property of the Receiver be filed as soon as practicable, and financial report at the end of every 30 days period after the appointment.”

That pursuant to said Minute Order, a general letter to all creditors of the Defendant corporations was mailed to each and every one of the creditors of said defendant corporations from the offices of the Attorney for the complainant in said proceedings, informing said creditors of the order of the Court directing the appointment of a Creditor's Committee to be elected by the Creditors and calling a general meeting of said Creditors at the offices of said Attorney for the complainant. On September 25th, 1933, a meeting of the Creditors of said defendant corporation was held in accordance with said notice and a Creditor's Committee consisting of the following was thereat elected and appointed by the Creditors at said meeting: C. E. BURGE, C. S. HUTSON, J. A. NEGLE, J. N. DAVIS, DOROTHY L. GRIPTON, J. I. SIEGEL, and STANLEY C. MOORE. Said Creditor's Committee thereupon met and selected a chairman and other officers to preside at meetings of said Committee and thereupon entered into and upon their duties as such Committee in accordance with the meaning and intent of the Order of the Court, as hereinafter will more fully appear, and have since, and still are, acting as such duly appointed and designated Creditor's Committee.

Order Authorizing Intervention of Creditor's Committee

That on or about December 18th, 1933, an order was made and entered by said UNITED STATES DISTRICT COURT upon the Petition in Intervention, and motion of the Creditor's Committee, as follows:

DATED: At Los Angeles, California, this 18th day of 1933.

GEORGE COSGRAVE
DISTRICT JUDGE"

Petition For Instructions As To Payment of Fees
of Attorney

That on or about February 21st, 1935, the Petition of E. C. RICHARDSON, Receiver, duly verified, was filed in said UNITED STATES DISTRICT COURT, as follows:

"IN THE DISTRICT COURT OF THE UNITED
STATES SOUTHERN DISTRICT OF CALI-
FORNIA CENTRAL DIVISION

AULT AND WEIBORG,)	
a corporation,)	No. 63--C
Complainant,)	
-vs-)	PETITION FOR
WESTERN BLIND &)	INSTRUCTIONS AS TO
SCREEN CO., a corpora-)	PAYMENT OF FEES
tion, also known as WEST-)	OF ATTORNEY FOR
ERN VENETIAN BLIND)	CREDITOR'S
CO., a corporation,)	COMMITTEE
Respondents.)	

The duly verified Petition of E. C. Richardson respectfully shows:

I.

That he is the duly appointed, qualified and acting Receiver in the above entitled matter.

II.

That the order appointing said Petitioner as such Receiver was made and entered herein on the 12th day of September, 1933, and that on said date the Court made and entered a Minute Order in the said proceedings, which said order reads in part as follows:

“It is ordered that the Creditors in the above entitled matter elect a committee of not less than three whose duty it will be to acquaint themselves as to the general progress of the receivership.”

That thereafter, and pursuant to said order of the Court the Creditors of said Respondents selected a committee consisting of C. E. BURGE, C. S. HUTSON, J. A. NEGLEY, J. N. DAVIS, DOROTHY L. CRIP-TON, J. I. SIEGEL and STANLEY C. MOORE, and that said Committee has during the course of the above entitled proceedings acted for and on behalf of the Creditors of the Respondents, and has generally taken such steps and proceedings as seem necessary for the protection of the interests of all of the Creditors.

III.

That your Petitioner is advised and believes and therefore alleges that immediately after the entry of the order of this Court providing for the selection of such Committee, and the designation and selection of such Committee, Samuel S. Gelberg was retained as Attorney for said Committee, but your Petitioner is not familiar with and is not able to set forth the terms and conditions upon which the said Attorney was retained by said Committee. That subsequent to the selection of such Attorney by said Committee, said Attorney has appeared in said pro-

ceedings on various occasions for and on behalf of said Committee, and your Petitioner is advised and believes, and therefore alleges that said Attorney has during the course of said proceedings performed for said Committee such legal services as were required of him, and has advised and conferred with said Committee with respect to legal questions involving the rights of the Creditors in said proceedings.

IV.

That said Samuel S. Gelberg has presented to your receiver an itemized statement of the services rendered by him to said Creditor's Committee with a bill for Twelve Hundred and Fifty Dollars (\$1250.00) as the reasonable value of said services, and has requested of your Petitioner as such Receiver that said amount be paid to said Attorney for such services out of the assets of said Receivership estate; that annexed hereto, and marked Exhibit "A", and made a part hereof, is the itemized statement of services so rendered by said Attorney.

V.

That your Petitioner does not know whether the amount due for services rendered by Samuel S. Gelberg as Attorney for said Creditor's Committee are a proper charge against the assets of the receivership estate in the hands of your Petitioner, and does not know whether or not the amount of the claim presented to your Petitioner is a just and reasonable and fair compensation for the services rendered by said Attorney, and for such reason your Petitioner requests that this Court instruct your Petitioner as such Receiver as to whether payment should be made out of the assets of the receivership

estate of any claim for services rendered by said attorney, and if such payment should be made, the amount that should be paid as a fair, just and reasonable charge for the services rendered by said Attorney.

WHEREFORE, your Petitioner prays that this Court instruct your Petitioner as such Receiver with respect to the payment of the claim filed against the receivership estate for the services so rendered by said Attorneys.

E. C. RICHARDSON

Petitioner

MITCHELL, SILVERBERG & KNUPP,

By GUY KNUPP

Attorneys for Petitioner.

STATE OF CALIFORNIA,)
County of Los Angeles) ss.

E. C. RICHARDSON, being first duly sworn, deposes and says:

That he is the Petitioner in the above entitled matter; that he has read the foregoing Petition for Instructions as to Payment of fees of Attorney for Creditor's Committee, and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters therein stated on information or belief, and as to those matters that he believes it to be true.

E. C. RICHARDSON

Subscribed and sworn to before
me this 21st day of Jan., 1935.

(SEAL) LYNNE V. BUCK

Notary Public in and for said
County and State."

The itemization of the services rendered by said SAMUEL S. GELBERG, Attorney, and incorporated in said Petition of the Receiver as Exhibit "A" is as follows:

November 16, 1934

Creditors Committee
Western Venetian Blind & Screen Co.
Los Angeles, Calif.

TO SAMUEL S. GELBERG, Dr.

To professional services rendered for the period from September 29, 1933 to date and to and including date of termination of Receivership proceedings in the District Court of the United States Southern District of California, Central Division, in Equity #63-C entitled "Ault & Weiborg, a corporation, Complainant -vs- Western Blind & Screen Co., et al, Respondents: with exception of services rendered and to be rendered in opposition to claim of Dorothy L. Gripton; as per following itemization:

Conferences with members of Committee and with Receiver and his Attorneys re: Appointment of Ancillary Receiver for New York Assembly and Distributing Plant of Western Venetian Blind Co. and as to appointment of E. C. Richardson as co-ancillary Receiver.

Conferences with members of Committee and with Receiver and his Attorneys re payment of \$500.00 advance rent and power of New York Plant for one month commencing October 1, 1933, landlord to file general claim for accrued rent to September 30th, 1933, and for release of attachment of premises.

Received and examined copy of Petition and Order to Show Cause of Mortgage Guaranty Company and Title

Insurance and Trust Company for leave to sell under terms of a Trust Deed securing promissory note of Western Blind & Screen Co, in the principal sum of \$42,500.00 involving premises of Los Angeles plant, and for possession of premises.

Conferences with Committee and Receiver and his Attorneys re Petition for Leave to Foreclose Trust Deed by Mortgage Guaranty Company and Title Insurance & Trust Company and for possession of premises. Various means of preventing foreclosure discussed.

Examined Petition of Receiver for Authority to pay certain wage claims not exceeding \$200.00 each. Examined list of wage claims proposed to be paid by Receiver. Examined Petition of Receiver for Authority to Pay Claims of Southern California Telephone Company, rent, electric light and other public utility bills and franchise taxes.

Examined Petition of Receiver for Order limiting time to file claims against estate and order of Court made pursuant thereto.

Examined Petition of Receiver for Authority to Incur Expenses in collection of Accounts by placing for collection with Attorney for Agency on a certain contingent fee basis.

Examined Petition of Receiver for Authority to pay taxes to Governmental Agencies including sales taxes to State of California and Order thereon.

Examined Petition for Order fixing time to affirm and disaffirm contracts of corporation in Receivership, and Order thereon.

Examined Petition of Receiver for Authority to satisfy Lien of Yates-American Machine Company by payment

of balance of \$321.50 due on machine in order to save large equity therein, and Order authorizing payment to remove lien.

September 29, 1933, conferences with Creditors Committee re appointment of Mr. Ruhf as Receiver of Ancillary estate.

September 29, 1933, preparation of letter to United States District Court for District of New York, recommending Mr. Ruhf as qualified for appointment as Receiver of Ancillary estate.

September 29, 1933, preparation of letter to Gustavus Light Attorney, re appointment of Mr. Ruhf as Receiver.

October 2, 1933, letter to Mitchell, Silberberg & Knupp re Petition for Reclamation of certain machinery and letter received thereon from Arnold & Johnston, Attorneys; also re claim of Tilden Sales Building to certain property.

October 3, 1933, Conferred with Creditors Committee re matters of administration.

October 4, 1933, prepared and filed "First Report of Creditors Committee."

Received and examined Receiver's First Report and Account. Report carefully read and analyzed, consisting of approximately 63 pages of typewritten matter, exclusive of schedules, particularly as to following subjects: Corporate history, business of respondent corporations, assets and liabilities, cash on hand, accounts receivable, claims of Dorothy L. Gripton to accounts receivable and other assets, inventories, Receiver's operations including expenses of Receiver, volume of business, margin of profit, patent matter, recommendations of Receiver as

to future conduct of business and monthly reports, restate indebtedness, application for Receiver's fees and Exhibits of accountings and schedules of Receiver.

Conferences with Committee and with Receiver and his attorneys re contents of First Report and Account, Application for Fees of Receiver, etc.

October 10, 1933. Received and examined letter received from Mitchell, Silberberg & Knupp, Attorneys for receiver, regarding analysis of funds coming into hands of Receiver. Mailed copy to each member of Committee. October 24, 1933, Received and examined letter from Mitchell, Silberberg & Knupp, Attorneys for Receiver, re Petition of Mortgage Guaranty Company for leave to Sell premises of Western Venetian Blind Company under Deed of Trust, and Notice of hearing thereon on October 30th, 1933.

October 30, 1933. Appearance in United States District Court on hearing of Order to Show Cause re foreclosure of Trust Deed.

November 20, 1933. Appearances in the United States District Court re hearing on Order to Show Cause upon Receiver's First Report and Account and Application for Compensation.

December 13, 1933. Prepared and filed Petition of Creditors Committee for leave to intervene as party to proceedings in District Court.

December 13, 1933. Prepared and filed Motion of Creditors Committee for leave to intervene in proceedings in District Court and for Order ratifying employment of Attorney by Creditors Committee.

December 13, 1933. Prepared Notice of Motion for Order allowing intervention of Creditors Committee and

for Order ratifying and confirming employment of Samuel S. Gelberg as Attorney for Committee.

December 13, 1933. Served notices of above motion together with copies of Petition on Attorneys for respondent corporations and on Attorneys for Receiver.

December 18, 1933. Appearance before United States District Court on Motions of Creditors Committee for leave to intervene and for Order ratifying and confirming employment of Attorney for Committee.

Prepared form of circular letter by Creditors Committee to be mailed to all creditors together with form of power of attorney to be enclosed with circular letter to creditors.

Consultation with Creditors Committee regarding claims of Mrs. Gripton.

Conferences with Receiver, Receiver's auditors, and Attorneys for Receiver re claims of Mrs. Gripton.

Received and examined Order approving Receiver's First Report and Account.

Examined Petition of Receiver for instructions authorizing employment of corporate agency for certain foreign States wherein respondent corporations and the Receiver were doing business, and Order of Court thereon.

Examined Petition of Receiver for extension of time for filing claims to January 15th, 1934.

Examined Petition of Receiver for approval of advertising contract and Order authorizing such expenditures.

Received service and examined objections of Dorothy L. Gripton to Petition of Attorney for Creditors Committee for ratification of employment.

Examined carefully Petition of the Receiver for authority to travel on business of Receivership estate and to delegate authority during Receiver's absence, purpose being to personally contact and consult with district manufacturers, salesmen outside the State, and to instruct them as to their duties and policy, and to assist in solving local problems; and Order of Court authorizing such acts.

Consulted with Creditors Committee and Receiver regarding Petition of Receiver re authority to travel as above stated.

Examined Petition of Receiver for leave to pay mortgagee \$150.00 per month to be applied first to payment of interest on note secured by Trust Deed and balance to discharge other obligations under note and Trust Deed aforesaid, with understanding there will be no immediate foreclosure and Order of Court thereon.

Conferred with Creditors Committee, Receiver and Attorneys re above Petition to foreclose and for possession of premises.

February 2, 1934. Conferred with creditors Committee re matters of administration including ancillary receivership and re possible reorganization.

Examined Report of operations of Receiver for month of February, 1934.

Received and examined copy of Receiver's Second Report and Account consisting of approximately 36 pages of typewritten matter; report analyzed, particularly as to following: Shortage of working capital, collection of accounts receivable by ancillary receiver, and retention of Duns in Eastern District of New York, accounts payable of Receiver for merchandise and labor during his operations, analysis of inventories, accounts receivable, ac-

counts assigned and claimed by Dorothy L. Gripton, Receiver's disbursements, profit and loss statement, future operations and recommendations, application for fees and expenses, and exhibits including accountings.

Conferred with Creditors Committee and with Receiver and his attorneys re Receiver's Second Report and Account, particularly re balance of property of Receivership estate and re applications of Receiver and Attorneys for compensation.

Consulted with Creditors Committee and Receiver and his Attorneys re sale of assets of corporation by Receiver at public auction, E. C. Richardson to act as Special Master.

Attended sale of assets on several occasions at 2700 Long Beach Boulevard and conferred with members of Committee and with Committee on premises re sale and proposed bid of \$8,000.00, and for ways and means of securing a better bid.

Suggested and discussed with Committee the possibility of Mrs. Gripton bidding for assets including real estate and good will of business in lieu of her claim against estate rather than to accept low bid of \$8,000.00. Legal aspects of transaction discussed.

Examined Report of operations of Receiver for month of March, 1934.

March 5, 1934. Appearance before United States District Court on hearing of Receiver's Second Report and Account. Made s statement to Court in behalf of Creditors Committee.

May 4, 1934. Received and examined Notice or reprint from Los Angeles Daily Journal of May 2nd, re publication for sale of assets on June 1st, 1934.

May 29, 1934. Conference with creditors committee at C. H. Hutson & Company premises re proposition of Ramboz & Sheppard in behalf of Mrs. D. L. Gripton, concerning reorganization; rendered opinion to Committee recommending rejection of proposal because of sale ordered by Court and suggesting only possible other plan involves purchase of property at open sale.

Examined Report of operation of E. C. Richardson, Receiver, for period from September 13, 1933 to October 31st, 1933.

Conferred with creditors committee re above report.

Examined report of operations of Receiver for Calendar month of November 1933.

Examined auditor's report of Ernst & Ernst of September 12th, 1933, filed November 8th, 1933, in United States District Court.

Examined Report of operations of Receiver for Calendar month of April 1934.

Preparation of Affidavit of C. S. Hutson, Chairman of Creditors Committee, for reorganization and non-confirmation of sale of assets to Columbia Mills.

Preparation of Petition of Creditors Committee and Order to Show Cause for rehearing on Petition for Confirmation of Sale of Assets.

February 23rd, 1934. Examined Order of District Court of New York re ancillary estate and notified ancillary committee re contents.

Prepared communication to District Court of New York re Objections of Creditors Committee to fees of L. J. Rubenstein, Ancillary Receiver.

February 23rd, 1934. Letter to C. H. Hutson, Chairman, enclosing copy of Order of District Court of New York, regarding allowance of fees to Ancillary Receiver.

June 18, 1934. Appearance before U. S. District Court in behalf of Creditors Committee on Order to Show Cause for disaffirmance of sale to Columbia Mills and to reopen bidding.

June 25, 1934. Appearances before U. S. District Court in support of Petition of Creditors Committee for disaffirmance of Sale to Columbia Mills and to reopen bidding.

July 6, 1934. Appearance in U. S. District Court re confirmation of sale to J. J. Sugarman.

Preparation and filing of affidavit of service of J. I. Siegel, re Petition and Order to Show Cause of Creditors Committee.

Examination of Petition of Receiver for confirmation of sale.

Preparation and service of copies of Order to Show Cause and Petition for disaffirmance of sale to Columbia Mills, and to reopen bidding; served on various parties in proceeding, together with affidavit of C. S. Hutson affixed thereto.

Examined copy of comparative operations for periods from July 1st, 1932 to December 31st, 1932 of Western Venetian Blind Company, as compared with period of September 13th, 1933 to December 1st, 1933.

Communicated with and engaged correspondent in New York City to check records and keep advised of proceedings in Eastern District of New York.

Examined Order to Show Cause and Petition for authority by Receiver to settle and compromise other claims, particularly Trust Deed of Mortgage Guaranty Company.

Examined Petition of Receiver for authority to continue business after fire of April 26, 1934, so as to preserve good will as valuable asset and to contract with Columbia Mills from manufacturing of unfilled orders on hand.

Conferred with creditors committee and Receiver and his Attorneys re fire and possible recoveries from insurance carriers.

Examined Report of operations of Receiver for calendar month of December, 1933.

Examined Report of operations of Receiver for calendar month of February, 1934.

Examined Report of operations of Receiver for calendar month of March, 1934.

Received copy and examined Receiver's Third Report and Account, and analyzed same, including following matters (over 100 pages typewritten matter): Operations of Receiver since Second Report, Insurance Adjustment, Receiver's sale of property and assets, claim of Dorothy L. Gripton, Ancillary Receivership, Receipts and Disbursements of Receiver, Assets and Liabilities, claims against Receivership estate, payment of dividend, future dividends, applications for fees by auditors, Receiver and Counsel for Receiver, further function of Receiver and exhibits of accountings.

Consulted with Creditors Committee re Receiver's Third Report and Account, particularly advising Committee re

expenses of Receivership and requests for compensation by Receiver and Counsel, and re Objections to Receiver's compensation and steps for removal of Receiver.

Prepared Objections of Creditors Committee to approval of Receiver's Third Report and Account and to allowance of compensation as requested to Receiver.

Conference with Creditors Committee re withdrawal of Objections to Receiver's Report and Petition for Compensation.

Appearance in the United States District Court on hearing of Receiver's Third Report and Account and Objections of Creditors Committee to application for compensation by Receiver, and to approval of his Report.

Appearance before United States District Court on continued hearing of Order to Show Cause on Receiver's Third Report and Account and Petition for compensation; withdrawal in open Court of Objections to Receiver's Report and Account, and Petition for Compensation as per instructions of Creditors Committee.

Conference with Creditors Committee re Attorney's Fees.

Examination of Order settling and approving Receiver's Third Report and Account.

June 8th, 1934. Letters to members of Creditors committee re adjustment of insurance.

June 19th, 1934. Letter to J. N. Davis re letter from him regarding Petition to District Court for removal of E. C. Richardson, as Receiver.

June 21, 1934. Letter from J. N. Davis.

August 17, 1934. Letter from J. N. Davis.

August 29, 1934. Letter to J. N. Davis.

September 6, 1934. Letter from J. N. Davis.

September 14, 1934. Letter to J. N. Davis.

October 20, 1934. Letter to C. H. Hutson.

October 24, 1934. Letter to E. C. Richardson re powers of attorney.

Miscellaneous numerous individual conversations with members of Committee re matters of administration, telephone calls, correspondence, notices, etc.

October 29, 1934. Conference with Creditor's Committee re preparation of powers of Attorney to be circulated amongst all Creditors.

Further services to be rendered in connection with administration until closing of estate (other than services in Gripton matter.)

\$1250.00 ”

Order to Show Cause and Instructions As to
Payment of Attorney's Fees of Creditor's
Committee.

On January 22, 1935, upon the filing of the Petition of the Receiver for Instructions as aforesaid, the United States District Court for said District, made and issued the following Order to Show Cause:

“IN THE DISTRICT COURT OF THE UNITED
STATES SOUTHERN DISTRICT OF
CALIFORNIA CENTRAL DIVISION.

AULT AND WEIBORG, a corpora- ;

ation, ;

Complainant ;

-vs- ;

WESTERN BLIND & SCREEN ; ORDER TO

CO. a corporation, also known as ; SHOW CAUSE

WESTERN VENETIAN BLIND ;

CO., a corporation, ;

Respondents. ;

— — — — —

E. C. RICHARDSON, Receiver in the above entitled matter, having filed herein his duly verified petition praying for an order of this Court instructing him as such Receiver with respect to the payment of the claim for attorney's fees therein and hereinafter referred to, and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the complainant herein, and their respondents herein, and all parties to these proceedings or their attorneys, and all persons and other parties interested to these proceedings, and the stockholders of said respondents, and all creditors thereof, secured or unsecured or their attorneys, show cause, if any they have before the Honorable George Cosgrave, Judge of the above entitled Court, in the Court room of said Court, 422 Federal Building, Los Angeles, California, on the 4th day of February, 1935, at two o'clock in the afternoon of said day, or as soon thereafter as counsel can be heard

why an order should not be made and entered herein, instructing, authorizing and empowering the said Receiver to pay to Samuel S. Gelberg from the funds of the receivership estate the sum of Twelve Hundred and Fifty Dollars (\$1250.00) for and as counsel fees payable to said Samuel S. Gelberg, as attorney for the Creditor's Committee in the above entitled proceedings.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that a copy of this Order to Show Cause be published once in the Los Angeles Daily Journal not less than ten (10) days prior to the date of the hearing of this order, and that a copy hereof be mailed to all of the parties to the action and to all known creditors of respondent corporations at least ten (10) days before the date of said hearing. That said publication and said mailing of copies of said Order to Show Cause shall be deemed due and sufficient service of this Order on the parties to this action, and due, proper and sufficient notice of the hearing of said petition to all parties and creditors interested herein.

Dated: January 22, 1935.

GEO. COSGRAVE

Judge"

NOTICE TO CREDITORS AND ALL PARTIES IN INTEREST

That thereafter, and pursuant to said Order to Show Cause and Order Re Notice, copies of said Order to Show Cause were duly sent through the mails to all known Creditors at least ten days prior to the date of said hearing and personal service was made on all parties to the

proceedings and Attorneys and persons known to be interested therein.

Intervening Petition of Creditors Committee
For Allowance of Expenses.

On the 4th day of February, 1935, and before the Order to Show Cause hereinabove mentioned was heard by the Court, the Creditors Committee filed its Intervening Petition of Creditors Committee for Allowance of Expenses, duly verified, as follows:

“IN THE DISTRICT COURT OF THE UNITED
STATES SOUTHERN DISTRICT OF
CALIFORNIA CENTRAL DIVISION.

AULT AND WEIBORG, a cor-	:	
poration,	:	
Complainant	:	
	:	No. 63-C
-vs-	:	
	:	INTERVENING
WESTERN BLIND & SCREEN	:	PETITION OF
CO., a corporation, also known as	:	CREDITORS
WESTERN VENETIAN BLIND	:	COMMITTEE
CO., a corporation,	:	FOR ALLOW-
	:	ANCE OF EX-
Respondents.	:	PENSE.
	:	

— — — — —

TO THE HONORABLE JUDGES FOR THE DISTRICT COURT OF THE UNITED STATES, FOR THE SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION:

The petition of C. S. HUTSON, J. N. DAVIS, C. E. BURGE, J. I. SIEGEL, J. A. NEGLEY, DOROTHY L. GRIPTON and STANLEY C. MOORE, constituting the Creditors Committee herein, respectfully shows:

I.

That your petitioners are the duly elected and acting Creditors Committee in the above entitled matter.

II.

That the Order appointing E. C. Richardson as Receiver herein was made and entered on the 12th day of September, 1933, and that on said date this Honorable Court made and entered a Minute Order in the said proceedings which said Order reads as follows:

“It is ordered that the creditors in the above entitled matter elect a committee of not less than three whose duty it will be to acquaint themselves as to the general progress of the receivership: that an inventory of all property of the Receiver be filed as soon as practicable and a financial report at the end of every thirty day period after the appointment.”

That thereafter and pursuant to said Order of the Court at a meeting of the creditors of said respondent corporations after due notice to creditors held on or about the 25th day of September, 1933, the creditors of said respondents assembled elected your petitioners as the said Creditors Committee, and that your Committee has during the course of the above entitled proceedings from that time onward acted for and on behalf of the creditors of the respondent and has in general tried to comply with the Order of the Court as hereinabove quoted, by taking such steps and proceedings as your Committee has deemed

necessary and advisable in carrying out the Order of the Court and for the protection of the interests of all of the creditors.

III.

That the said Creditors Committee deemed it necessary and advisable that the Committee be represented by counsel in order that it may properly carry out the instructions of the Court and in order that it may be properly represented before the Court in all matters pertaining to the administration of this estate, and for the purpose of appearing before the Court in connection with the various reports and proceedings to be heard by the Court and for the purpose of preparing and filing reports of the Committee, examining reports filed by the Receiver, examining and objecting to questionable claims as filed in this proceeding, and in general advising and counseling the Committee in all legal matters pertaining to said estate and to the proper procedure therein; and said Committee, on or about September 27th, 1933, at a regular meeting of the Committee duly appointed Samuel S. Gelberg to act as legal counsel and advisor to the Creditors Committee by a majority vote of the members of the Committee present at said meeting. That thereafter and at various times the employment of said Attorney for your Committee was renewed and reaffirmed.

IV.

That said Attorney attended practically all of the meetings of your Committee over a period of approximately sixteen months answering inquiries put to him regarding the duties functions, rights and liabilities of said Committee, and as to matters of procedure and in general performing such duties as were assigned to him by your Committee from time to time.

V.

That from the outset your Creditors Committee was faced with numerous problems and obligations to the Creditors of the respondents requiring the services of an Attorney at Law familiar with matters of receivership administration and that said Attorney was obliged to examine carefully lengthy and complicated reports filed from month to month by the Receiver and his auditor herein and to discuss the contents thereof with and to digest the contents of same for the benefit of your Committee at their regular and special meetings; to advise the Committee with regard to the advisability and purposes to be accomplished by continued operation of the business of the respondents; to advise the Committee with regard to claims filed by Creditors secured, preferred and unsecured, and with regard to the possibilities of successfully contesting certain claims, in particular, the claim of Mrs. Dorothy L. Gripton to the accounts receivable of the respondents aggregating approximately Forty-one Thousand Dollars (\$41,000.00) which were assigned to her in the form of security for alleged advances in loans, and which seriously affected the possibility of continuing the operation of the respondent companies and the ultimate returns to unsecured creditors came up for immediate consideration and caused the Committee great concern. In this connection said Attorney's efforts played an important part in the concession by said Dorothy L. Gripton whereby she consented to release \$15,000.00 of said accounts receivable which enabled the Receiver to obtain enough current cash to continue operations of the business. That without such immediate operating capital the said business could not have been conducted at all and the assets would have had to be liquidated with resulting loss in returns to creditors.

VI.

Amongst other things involving the attention of your Creditors Committee and the services and counsel of said Attorney for the Committee were such matters as the Petition and Order to Show Cause of the Mortgage Guaranty Company and Title Insurance and Trust Company for leave to foreclose a certain Trust Deed covering the property of the respondent corporations and involving the premises of the Los Angeles plant and for possession of said premises; said matter requiring conferences with your Committee, the Receiver and his Attorneys, and discussions of various means of preventing such foreclosure and action; applications for Receiver's fees and Exhibits of accounts and schedules of Receiver; attendance in Court upon hearings of the Receiver's Reports from time to time; communications with the United States District Court for the District of New York, the co-ancillary Receiver for the Eastern District; and others involving said ancillary proceedings; assistance in preparation of letters by Creditors Committee to all creditors together with form of Power of Attorney to Committee; conferences re sale of assets; attendance at sales; examination of Order of the District Court of New York re ancillary estate; Objections of Creditors Committee to fees of co-ancillary Receiver; etc.

In addition thereto said Attorney for your Committee prepared, filed and presented the Petition of the Creditors Committee for leave to intervene as a party to these proceedings and the Order allowing intervention; appeared before this Court in behalf of the Creditors Com-

mittee regarding the disaffirmance of the sale to Columbia Mills and to reopen bidding on assets, and in connection with confirmation of subsequent sale at a higher figure; and in general performed such other and further duties as were required of him by said Creditors Committee. That a copy of a detailed itemized statement submitted in the form of a bill for services to your Committee by said Attorney, exclusive of the services in connection with the claim of Dorothy L. Gripton, is hereto attached, marked "Exhibit A" and by incorporation made a part of this petition.

VII

Your Committee respectfully states that said Attorney over a period of approximately sixteen months has rendered very valuable services to your Committee and thereby to all of the creditors of this estate in general, for which he is entitled to be compensated out of the funds in the hands of the Receiver belonging to this estate, as a proper expense of this Committee incurred in carrying out the meaning and intent of the Order of the Court hereinabove first quoted. That it is fair and equitable that the expense of employing such counsel by the Committee should be shared by and pro-rated amongst all of the creditors who have received the benefits thereof. That the benefits of said employment flow directly to all of the general creditors of this estate. Your Committee also feels that in giving the matters of administration and policy involved in this estate the proper close attention and thus carrying out its duties as required by the Court,

in this case it has rendered a very valuable service to the general creditors of this estate, and that its expense incurred in carrying out the letter and spirit of the Order of this Court should be borne by all creditors. That the results obtained in this case could not have been accomplished without the aid of counsel whose duty it would be to represent at all times the interests of the general unsecured creditors as distinguished from the interests of all parties and interests in this proceeding. Your Committee respectfully shows that a dividend of 20% has already been paid to creditors and that it is informed and believes and upon such information and belief alleges that the dividends will probably run as high as 60% net to creditors after payment of expenses of administration in the aggregate. That the results obtained in this case justify the expense incurred by your Committee in employing special counsel.

VIII.

That this Committee has agreed to allow said Attorney the sum of Twelve Hundred Fifty Dollars (\$1250.00) as a fair, just and reasonable compensation for his services to the Committee exclusive of the services rendered and to be rendered in connection with the contest of the claim of Dorothy L. Gripton for which last services application for compensation of said Attorney is not being made at this time, and will depend on the outcome of that claim. That your Committee has submitted to the Receiver the bill rendered to your Committee by said

Attorney with a request that same be paid out of the funds in the hands of the Receiver belonging to this estate. Your Committee desires to join in the Petition of the Receiver for instructions as to payment of Attorney's fees incurred by your Committee as an expense in connection with its regular duties and functions.

WHEREFORE your Committee prays that an Order may be made by this Court instructing the Receiver to pay the said bill for services rendered by Samuel S. Gelberg, Attorney to your Committee in the sum of Twelve Hundred Fifty Dollars (\$1250.00) as a proper and reasonable expense of the Creditors Committee in connection with the administration of this estate.

CREDITORS COMMITTEE

By C. E. BURGE, Vice Chairman

By J. I. Siegel, Secretary"

Verification

"STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

C. E. BURGE and J. I. SIEGEL, each for himself, being by me first duly sworn, deposes and says: that he is an officer of the Creditor's Committee, to-wit, the Vice Chairman and Secretary respectively, in the above entitled matter; that he has read the foregoing Intervening Petition of Creditor's Committee For Allowance of Expense and knows the contents thereof; and that the same

is true of his own knowledge, except as to the matters which are therein stated upon his information or belief and as to those matters he believes it to be true.

C. E. BURGE, Vice Chairman
J. I. SIÈGEL, Secretary

Subscribed and sworn to before
me this 4th day of February, 1935.

JULIA BAKER

Notary Public in and for the
State of California, County of
Los Angeles.

The itemized statement of SAMUEL S. GELBERG, Attorney, for services rendered to the Committee referred to in the above Petition as "Exhibit A", is the same itemization as is hereinabove set forth as an Exhibit in the Petition for Instruction as to Payment of Fees of Attorney For Creditor's Committee, filed by E. C. RICHARDSON, Receiver.

Intervening Petition of Samuel S. Gelberg, Attorney for Creditors Committee for Allowance of Compensation.

On the 2nd day of February, 1935, and prior to the hearing of the Order to Show Cause, directed to creditors and others in connection with the Petition of the Receiver, Samuel S. Gelberg, as Attorney For Creditors Committee filed his petition For Allowance of Compensation, duly verified, as follows:

which services your petitioner has received no compensation either directly or indirectly. The said services exclusive of services rendered and to be rendered in connection with the opposition to the claim of Dorothy L. Gripton as filed herein and which is now pending on appeal to the United States Circuit Court of Appeals for the Ninth Circuit, covering the period from on or about September 27, 1933, to date, or approximately one year and four months.

II.

That the Order appointing E. C. Richardson as Receiver herein was made and entered on the 12th day of September, 1933, and that on said date this Honorable Court made and entered a Minute Order in the said proceedings which said Order reads as follows:

“It is ordered that the creditors in the above entitled matter elect a committee of not less than three whose duty it will be to acquaint themselves as to the general progress of the receivership; that an inventory of all property of the Receiver be filed as soon as practicable and a financial report at the end of every thirty day period after the appointment.”

That thereafter and pursuant to said Order of the Court the creditors of said respondents selected a committee consisting of C. E. BURGE, C. S. HUTSON, J. A. NEGLEY, J. N. DAVIS, DOROTHY L. GRIP-TON, J. I. SIEGEL and STANLEY C. MOORE, and that said committee has during the course of the above entitled proceedings acted for and on behalf of the creditors of the respondents and has generally tried to com-

ply with the Order of the Court as hereinabove quoted by taking such steps and proceedings as seemed necessary in carrying out the Order of the Court and for the protection of the interests of all of the creditors.

III.

That the said Creditors Committee deemed it necessary and advisable that the Committee be represented by counsel in order that it may properly carry out the instructions of the Court and in order that it may be properly represented before the Court in all matters pertaining to the administration of this estate, and for the purpose of appearing before the Court in connection with the various reports and proceedings to be heard by the Court and for the purpose of preparing and filing reports of the Committee, examining reports filed by the Receiver, examining and objecting to questionable claims as filed in this proceeding, and in general advising and counseling the Committee in all legal matters pertaining to said estate and to the proper procedure therein; and said Committee, on or about September 27th, 1933, at a regular meeting of the Committee, duly appointed your petitioner to act as legal counsel and advisor to the Creditors Committee. That thereafter and at various times, the employment of your petitioner as Attorney for said Creditors Committee was renewed and reaffirmed.

IV.

That your petitioner as Attorney and counsel for the Creditors Committee attended practically all of the meetings of said Creditors Committee over said period of approximately sixteen months, answering inquiries put

to him regarding the duties, functions, rights and liabilities of said Committee, and as to matters of procedure, and in general performing such duties as were assigned to him by said Creditors Committee from time to time.

V.

That from the outset the said Creditors Committee was faced with numerous problems and obligations to the creditors of the respondents requiring the services of an Attorney at Law familiar with matters of receivership administration, and your petitioner having been assigned as such Attorney was obliged to examine carefully, lengthy reports filed from month to month by the Receiver herein, and to discuss the contents thereof with such Creditors Committee at their regular and special meetings; to advise the Committee with regard to the advisability and purposes to be accomplished by continued operation of the business of the respondents; to advise the Committee with regard to claims filed by creditors secured, preferred and unsecured, and with regard to the possibility of successfully contesting certain claims, in particular, the claim of Mrs. Dorothy L. Gripton to the accounts receivable of the respondents aggregating approximately Forty-one Thousand Dollars (\$41,000.00) which were assigned to her in the form of security for alleged advances on loans, and which seriously affected the possibility of continuing the operation of the respondent companies and the ultimate returns to unsecured creditors came up for immediate consideration and caused the Committee great concern. In this connection your petitioner's efforts played an important part in the concession by said Dorothy L. Gripton whereby she consented to release \$15,000.00 of

said accounts receivable which enabled the Receiver to obtain enough current cash to continue operations of the business. That without such immediate operating capital the said business could not have been conducted at all and the assets would have had to be liquidated with resulting loss in returns to creditors.

VI.

Amongst other things involving the attention of the Creditors Committee and the services and counsel of your petitioner to the Committee, were such matters as the Petition and Order to Show Cause of the Mortgage Guaranty Company and Title Insurance and Trust Company for leave to foreclose a certain Trust Deed covering the property of the respondent corporations and involving the premises of the Los Angeles plant and for possession of said premises; said matter requiring conferences with the Committee, the Receiver and his Attorneys, and discussions of various means of preventing such foreclosure and action; applications for Receiver's fees and Exhibits of accountings and schedules of Receiver; attendance in Court upon hearings of the Receiver's Reports from time to time; communications with the United States District Court for the District of New York, the co-ancillary Receiver for the Eastern District; and others involving said ancillary proceedings; assistance in preparation of letters by Creditors Committee to all creditors together with form of Power of Attorney to Committee; conferences re sale of assets; attendance at sales; examination of Order of the District Court of New York re ancillary estate; Objections of Creditors Committee to fees of co-ancillary Receiver; etc.

In addition thereto, your petitioner prepared, filed and presented the Petition of the Creditors Committee for leave to intervene as a party to these proceedings and the Order allowing intervention; appeared before this Court in behalf of the Creditors Committee regarding the disaffirmance of the sale to Columbia Mills and to re-open bidding on assets, and in connection with confirmation of subsequent sale at a higher figure; and in general performed such other and further duties as were required of him by said Creditors Committee. That a detailed itemized statement of the services rendered by your petitioner exclusive of the services in connection with the claim of Dorothy L. Gripton is hereto attached, marked "Exhibit A", and by incorporation made a part of this petition.

VII

Your petitioner feels that by his services over a period of approximately sixteen months, he has rendered a valuable service not only to the Creditors Committee, but to all of the creditors of this estate in general, for which he is entitled to be compensated out of the funds in the hands of the Receiver belonging to this estate in order that the expense may be pro-rated amongst all of the creditors who have received the benefits thereof. Your petitioner also feels that the Creditors Committee has rendered a very valuable service to the general creditors of this estate and have performed their duties and functions in accordance with the letter and spirit of the Order of this Court first hereinabove mentioned. That said services could not have been accomplished without the aid of counsel and that the said services of the Creditors

Committee and their judgment will be best reflected in the substantial dividends which will be paid to creditors of the respondents herein. In this regard your petitioner respectfully directs the attention of the Court to the fact that a first dividend of 20% has already been paid, and that he is informed and believes and upon such information and belief alleges that total dividends aggregating approximately 60% will ultimately be paid to creditors after deducting expense of administration, including the fees of your petitioners.

VIII

That the Creditors Committee has agreed to allow your petitioner the sum of Twelve Hundred Fifty Dollars (\$1250.00) as a fair, just and reasonable charge for the services rendered by your petitioner to the Committee, exclusive of the services rendered and to be rendered in connection with the claim of Dorothy L. Gripton for which application for compensation is not being made at this time. That said Committee has submitted to the Receiver the bill rendered by your petitioner to said Creditors Committee with a request that the same be paid out of the funds in the hands of the Receiver belonging to this estate. Your Petitioner feels that the value of the services rendered by your petitioner is greatly in excess of the said sum of Twelve Hundred Fifty Dollars (\$1250.00). That your petitioner joins in the Petition of the Receiver for instructions as to payment of fees to the petitioner herein as Attorney for the Creditors Committee.

WHEREFORE petitioner prays that an Order may be made by this Court instructing the Receiver to pay the

said bill for services of your petitioner in the sum of Twelve Hundred Fifty Dollars (\$1250.00) presented by the Creditors Committee to said Receiver as a proper and reasonable expense of the Creditors Committee in connection with the administration of this estate.

SAMUEL S. GELBERG

Petitioner

Verification

State of California)
County of Los Angeles) ss.

SAMUEL S. GELBERG being by me first duly sworn, deposes and says: that he is the Petitioner in the above entitled matter; that he has read the foregoing Intervening Petition of Samuel S. Gelberg, Attorney for Creditors Committee, for Allowance of Compensation, and knows the contents thereof; and that the same is true of his own knowledge, except as to the matters which are therein stated upon his information or belief, and as to those matters he believes it to be true.

SAMUEL S. GELBERG

Subscribed and sworn to before me this 1st day of February, 1935

(SEAL)

JULIA BAKER

Notary Public in and for the County of Los Angeles,
State of California”

That the itemized statement of Services Rendered by Samuel S. Gelberg, Attorney, referred to in the above Petition as "Exhibit A" is the same itemization as is hereinabove set forth as "Exhibit A" of the Petition for Instructions as to Payment of Fees of Attorney for Creditors Committee, filed by E. C. Richardson, Receiver.

Hearing on Petition and Order to Show Cause of Receiver and upon Petitions of Creditors Committee and Attorney

On the 4th day of February, 1935, at the hour of 2 P. M. the said Petition of Receiver for Instructions and the Petitions of the Creditors Committee, and of Samuel S. Gelberg, their Attorney, duly came on for hearing before the Honorable George Cosgrave, Judge of the United States District Court, in the Court Room of the said Court, 422 Federal Building, Los Angeles, California. Appearances: Guy Knupp, Esq., representing the Receiver, Samuel S. Gelberg, Esq., representing the Creditors Committee, and Samuel S. Gelberg, Esq., in propria persona. Statements to the Court in support of the Petition of the Creditors Committee for allowance of compensation to its Attorney as an expense of the Creditors Committee incurred in connection with the administration of said estate and statements in support of his own application for compensation were made by Samuel S. Gelberg, Attorney, to the Court. The Attorney for the Receiver stated in effect the purpose and substance of the Petition of the Receiver for Instructions as to whether

or not the said expense of the Creditors Committee in employing counsel should be paid as an expense of the estate by the Receiver. No objections were voiced to the Petitions of the Creditors Committee and of Samuel S. Gelberg, Attorney, for allowance of expense and compensation, no opposition appearing thereat, no objections were filed prior to or at said hearing, to said Petitions of the Creditors Committee, and of Samuel S. Gelberg, Attorney. The Creditors Committee and Samuel S. Gelberg, Attorney, respectively offered to present testimony, evidence and proof of the services rendered by said Attorney for the Creditors Committee, and by said Creditors Committee, and to enlarge upon the facts recited in the Petitions of said Applicants, but the Court refused to hear or consider the same. Exceptions were duly taken to said refusals. For the purposes of said hearing the respective Petitions of the Creditors Committee and of the Attorney for the Creditors Committee were taken by the Court and all parties present and represented as true, no question being raised by either the Court or any of the parties as to the services alleged and set forth in said petitions. The matter was taken under submission by the Court.

MINUTE ORDER AND DECREE OF UNITED STATES DISTRICT COURT

That thereafter on to wit, February 16th, 1935, the District Court made and entered the following Minute Order in respect to said Petitions and hearings:

“IN THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF CALIFORNIA CENTRAL DIVISION

AULT AND WEIBORG, a cor-)
poration,)

Complainant,)

-vs-)

) No. 63-C Eq.

WESTERN BLIND & SCREEN)

CO., a corporation, also known as)

) Minute Order

WESTERN VENETIAN BLIND)

CO., a corporation,)

Respondents.)

COSGRAVE, District Judge.

The appointment of a Creditors Committee in this case was in accordance with the practice in many similar cases and for the purpose of insuring to the creditors knowledge as to how the business of the receivership was being conducted. If the creditors see fit to employ counsel or petition the court for an order that one of their selection be authorized to act as counsel, that is done presumably

in their own interests and for their own protection as creditors. I do not think that in the absence of a showing that the estate has been increased, rather than preserved, allowance can properly be made in this case. It would not be a wise act.

The petition of Samuel S. Gelberg for attorney's fees for service rendered the creditors is therefore denied.

Exception to petitioner.

February 16th, 1935."

STIPULATION RE STATEMENT OF THE CASE

It is hereby stipulated and agreed by and between the parties to the above entitled cause that the foregoing is a true and correct statement of the case.

Dated: August 14th, 1935.

Samuel S. Gelberg

Attorneys for Appellants.

Mitchell Silberberg & Knupp

Guy Knupp

Attorneys for Receiver, and Appellee

The above stipulation is approved, and the Statement of the facts, as lodged herein, is hereby settled and allowed.

Geo Cosgrave

UNITED STATES DISTRICT JUDGE

It is further stipulated and agreed that the above may constitute the agreed Statement of the Case to be used in this Appeal.

Dated: August 14th, 1935.

Samuel S. Gelberg
Solicitor for Appellants

Mitchell Silberberg & Knupp
Guy Knupp
Solicitor for Appellee.

Approved this 22 day of Aug 1935, and Ordered, when filed in the office of the Clerk of this Court to supercede for the purposes of the Appeal herein, all parts of the record in this cause other than said Order and Decree appealed from; and the assignments of errors and further Ordered to be copied together with said Order and Decree and certified, to the United States Circuit Court of Appeals for the Ninth Circuit, as the record on Appeal herein.

Geo Cosgrave
DISTRICT JUDGE

[Endorsed]: Lodged Aug 16 1935 R. S. Zimmerman, clerk by L. Wayne Thomas deputy clerk Filed Aug 23 1935, R. S. Zimmerman, Clerk, by Edmund L. Smith, Deputy Clerk.

[TITLE OF COURT AND CAUSE.]

PETITION FOR ORDER ALLOWING APPEAL
AND ORDER ALLOWING APPEAL AND
FIXING BOND.

TO THE HONORABLE GEORGE COSGRAVE,
Judge of the United States District Court, in and
for the Southern District of California, Central
Division:

SAMUEL S. GELBERG, Attorney for the Creditors Committee consisting of C. E. BURGE, C. S. HUTSON, J. A. NEGLEY, J. N. DAVIS, DOROTHY L. GRIP-TON, J. I. SIEGEL and STANLEY C. MOORE, in the above entitled action, Intervening Petitioner, and the CREDITORS COMMITTEE of Western Blind & Screen Co., a corporation, also known as Western Venetian Blind Co., a corporation, consisting of C. E. BURGE, C. S. HUTSON, J. A. NEGLEY, J. N. DAVIS, DOROTHY L. GRIPTON, J. I. SIEGEL and STANLEY C. MOORE, Intervening Petitioner, respectfully show that they are dissatisfied with the decision rendered by this Honorable Court in the form of a "Minute Order" heretofore made and entered herein on or about the 16th day of February, 1935, denying the Intervening Petition of Samuel S. Gelberg, Attorney for Creditors Committee, for Allowance of Compensation, and the Intervening Petition of Creditors Committee for Allowance of Expense, and desire to appeal from said decision to the Circuit Court of Appeals of the United

States, in and for the Ninth Circuit, and represent that they have filed their specification of errors herein, assigning as errors the making of said decision, and respectfully request that this Honorable Court make its Order allowing an appeal therefrom and fixing the amount of bond required to be given by Intervening Petitioners on said appeal; and that a citation may be granted directed to E. C. RICHARDSON, Receiver, AULT & WEIBORG, a corporation, Complainant, and WESTERN BLIND & SCREEN CO., a corporation, also known as WESTERN VENETIAN BLIND CO., a corporation, Respondents, commanding them to appear before the United States Circuit Court of Appeals, for the Ninth Circuit, to do and receive that which may appertain to justice to be done in the premises; and that a transcript of the record and evidence in said proceedings duly authenticated may be transmitted to said United States Circuit Court of Appeals, for the Ninth Circuit.

SAMUEL S. GELBERG, Attorney for
Creditors Committee, and CRED-
ITORS COMMITTEE of Western
Blind & Screen Co., a corporation,
also known as Western Venetian Blind
Co., a corporation,

By Samuel S. Gelberg

Attorney for Intervening Petitioners.

ORDER ALLOWING APPEAL AND FIXING
BOND.

Pursuant to the above and foregoing Petition, and it appearing to be a proper case therefor,

IT IS ORDERED that the Intervening Petitioners in said action, SAMUEL S. GELBERG, Attorney for Creditors Committee, and the CREDITORS COMMITTEE of Western Blind & Screen Co., a corporation, also known as WESTERN VENETIAN BLIND CO., a corporation, consisting of E. E. BURGE, C. S. HUTSON, J. A. NEGLEY, J. N. DAVIS, DOROTHY L. GRIPTON, J. I. SIEGEL and STANLEY C. MOORE, be and they hereby are granted the right to appeal from the decision referred to in said Petition to the United States Circuit Court of Appeals, in and for the Ninth Circuit, and the amount of bond required to be given by said Petitioners is hereby fixed at the sum of \$250.00.

DATED this 18th day of March, 1935.

Geo. Cosgrave
U. S. District Judge.

[Endorsed]: Filed Mar. 18, 1935 R. S. Zimmerman,
Clerk By L. Wayne Thomas, Deputy Clerk.

IN THE DISTRICT COURT OF THE UNITED
STATES SOUTHERN DISTRICT OF CALI-
FORNIA CENTRAL DIVISION.

AULT AND WEIBORG, a cor-	:	
portation,	:	
	:	In Equity
COMPLAINANT,	:	No. 63-C
	:	
-vs-	:	ASSIGNMENT
	:	OF ERRORS.
WESTERN BLIND & SCREEN :		
CO., a corporation, also known as :		
WESTERN VENETIAN BLIND :		
CO., a corporation,	:	
RESPONDENTS. :		
	:	

TO THE HONORABLE GEORGE COSGRAVE,
Judge of the United States District Court, Southern
District of California, Central Division:

NOW COME SAMUEL S. GELBERG, Attorney for
the Creditors Committee of Western Blind & Screen Co.,
a corporation, also known as Western Venetian Blind Co.,
a corporation, Intervening Petitioner, and the CREDI-
TORS COMMITTEE of Western Blind & Screen Co., a
corporation, also known as Western Venetian Blind Co.,
a corporation, Intervening Petitioner, Appellants, and file
this their Assignment of Errors, complaining as follows:

1. That said Order of the District Court denying the
Intervening Petition of Samuel S. Gelberg, Attorney for
the Creditors Committee for Allowance of Compensation,

and the Intervening Petition of Creditors Committee for Allowance of Expense was contrary to law and that the Court erred in making said Order.

2. That the said Order of the District Court denying the Intervening Petition of Samuel S. Gelberg, Attorney for the Creditors Committee for Allowance of Compensation, and the Intervening Petition of Creditors Committee for Allowance of Expense was against the weight of the evidence and the facts, and that the Court erred in making said Order.

3. That the Court in making said Order held that there was no showing that the estate had been increased through the efforts of the Creditors Committee and said Samuel S. Gelberg, Attorney for the Creditors Committee, whereas said estate had been in fact increased through the efforts of said Attorney and said Creditors Committee; and that the Court erred in so holding.

4. That the Honorable Court erred in failing to allow the Intervening Petition of the Creditors Committee for expense incurred in employing counsel to represent it in connection with said proceedings.

5. That the Honorable Court erred in failing to allow the Intervening Petition for Allowance of Compensation of Samuel S. Gelberg, Attorney for Allowance of Expense of the Creditors Committee, in view of the showing that the estate had been preserved through the efforts of said Samuel S. Gelberg, Attorney, and of said Creditors Committee.

6. That the Honorable Court erred in finding and ruling that in the absence of a showing that the estate has been increased rather than preserved, allowance can not be properly made in accordance with the Petitions of Samuel S. Gelberg, Attorney, and of the Creditors Committee.

7. That the Honorable Court erred in finding and ruling that the employment of counsel by the Creditors Committee in this instance was done in their interests and for their own protection as creditors, whereas the evidence shows that the employment of counsel by the creditors Committee was for the benefit and protection of all creditors and was done by the Creditors Committee in their representative capacity in behalf of all creditors of the Respondent corporations and not in their own individual behalf.

8. That the Honorable Court erred in finding that the appointment of a Creditors Committee in this case was in accordance with the practice in many similar cases; whereas the evidence shows that the appointment of a Creditors Committee in this case was an official, regular, directory and mandatory act on the part of this Honorable Court in the form of a "Minute Order" made and entered herein simultaneously with and as a part of the Order Appointing Receiver, and that said Order placed a greater responsibility and duty upon the Creditors Committee than is generally presumed in the case of a voluntary selection of a creditors committee by creditors.

9. That the Court in making said Order held that there was no showing that the estate had been increased through the efforts of said Samuel S. Gelberg, Attorney for the Creditors Committee, whereas said estate had been in fact increased through the efforts of said Attorney; and that the Court erred in so holding.

10. That the Honorable Court erred in denying the Intervening Petitions of Samuel S. Gelberg, Attorney, and of the Creditors Committee for allowance of compensation to said Attorney in view of the express and implied consent of all of the creditors or parties actually interested in the funds of the estate and that such denial is contrary to law.

11. That the Court erred in denying the Intervening Petitions of Samuel S. Gelberg, Attorney, and of the Creditors Committee for allowance of compensation to said Attorney in view of the fact that no objections were filed, presented or made to the allowance of said Petitions for compensation, although due notice was served upon all parties and creditors to this proceeding prior to the hearing of said Petitions for compensation and for allowance of expense.

12. That the denial of said Intervening Petitions of Samuel S. Gelberg and the Creditors Committee for allowance of compensation to said Attorney in the face of no objections having been raised to said allowances by the parties to this proceeding, or creditors of the Respondent corporations, was an abuse of discretion.

WHEREFORE said Intervening Petitioners and each of them pray that the Order of said Court be reversed and set aside and held for naught, and that an Order be made and entered in favor of said Intervening Petitioners allowing said Intervening Petitions for allowance of compensation to the Attorney for the Creditors Committee, and allowing the Intervening Petition of the Creditors Committee for payment of its counsel as an expense of administration in this estate, and instructing the Receiver to pay the same out of the funds in his hands belonging to this estate.

SAMUEL S. GELBERG,

Attorney for Creditors Committee, and CREDITORS
COMMITTEE of Western Blind & Screen Co.,
a corporation also known as Western Venetian
Blind Co., a corporation,

By Samuel S. Gelberg
Attorney for Intervening Petitioners.

[Endorsed]: Filed Mar. 18, 1935 R. S. Zimmerman,
Clerk By L. Wayne Thomas, Deputy Clerk.

KNOW ALL MEN BY THESE PRESENTS

That we, SAMUEL S. GELBERG, as principal and T. KING and E. MILHON, as Sureties are held firmly bound unto E. C. RICHARDSON, as Receiver of the estate of Western Blind & Screen Co., a corporation, also known as Western Venetian Blind Co., a corporation, Appellee in the full and just sum of TWO HUNDRED FIFTY and NO/100 Dollars to be paid to the said E. C. RICHARDSON, as Receiver of the estate of Western Blind & Screen Co., etc., his certain attorney, executors, administrators or assigns; to which payment well and truly made, *to be* we bind ourselves, our heirs, executors, and administrators, jointly and severally, by these presents.

Sealed with our seals and dated this 29th day of March, in the year of our Lord One Thousand Nine Hundred and Thirty-five.

WHEREAS, lately at the District Court of the United States for the Southern District of California, Central Division, in a suit depending in said Court between AULT & WEIBORG, a corporation, Complainant, and Western Blind & Screen Co., a corporation, also known as Western Venetian Blind Co., a corporation, Respondents being Case #63-C in Equity a Judgment was rendered against the said Samuel S. Gelberg and the Creditors Committee of Western Blind & Screen Co., a corporation, etc., and the said Samuel S. Gelberg and the Creditors Committee of Western Blind & Screen Co., etc., having obtained from said District Court of the

United States, Southern District of California, Central Division, an ORDER ALLOWING APPEAL to reverse the Judgment in the aforesaid suit, and a Citation directed to the said E. C. RICHARDSON, said citation being returnable April 18th, 1935, citing and admonishing him to be and appear at a United States Circuit Court of Appeals for the Ninth Circuit, to be holden at San Francisco, in the State of California.

Now, the condition of the above obligation is such, that if the said SAMUEL S. GELBERG and CREDITORS COMMITTEE of Western Blind & Screen Co., etc., shall prosecute said Appeal to effect, and answer all damages and costs if they fail to make their plea good, then the above obligation to be void; else to remain in full force and virtue.

Acknowledged before me the day and year above written.

Samuel S. Gelberg [Seal]
Principal.

112 W. 9th St., Los Angeles, California

T. King
Surety.

E. Milhon
Surety.

UNITED STATES OF AMERICA
 SOUTHERN DISTRICT OF CALIFORNIA
 COUNTY OF LOS ANGELES } ss:

T. KING and E. MILHON being duly sworn, each for himself desposes and says, that he is a freeholder in said District, and is worth the sum of Two Hundred Fifty and no/100 Dollars, exclusive of property exempt from execution, and over and above all debts and liabilities.

Subscribed and sworn to before me, this 29th day of March A. D. 1935

T. KING

Surety.

6434 Marconi St., Huntington Park, California.

E. MILHON

Surety.

145 North Edgeware Rd.

Julia Baker

Notary Public in and for County of Los Angeles,
 State of California

[Seal]

Form of bond and sufficiency of sureties approved.

April 4, 1935.

Geo. Cosgrave

Judge.

[Endorsed]: Filed Apr 4-1935 R. S. Zimmerman,
 Clerk By L. Wayne Thomas Deputy Clerk

[TITLE OF COURT AND CAUSE.]

PRAECIPE

TO THE CLERK OF SAID COURT:

SIR:

Please issue Certified Transcript on Appeal to the United States Circuit Court of Appeals for the Ninth Circuit and include the following:

1. Agreed Statement of Case pursuant to Equity Rule 77.
2. Assignment of Errors
3. Petition For Order Allowing Appeal
4. Order Allowing Appeal and Fixing Bond
5. Citation
6. Cost Bond on Appeal
7. Praecipe.

Samuel S. Gelberg
Attorneys for Appellants

[Endorsed]: Filed Aug. 20, 1935, R. S. Zimmerman
Clerk By Edmund L. Smith Deputy Clerk.

[TITLE OF COURT AND CAUSE.]

CLERK'S CERTIFICATE.

I, R. S. Zimmerman, clerk of the United States District Court for the Southern District of California, do hereby certify the foregoing volume containing 64 pages, numbered from 1 to 64, inclusive, to be the Transcript of Record on Appeal in the above entitled cause, as printed by the appellant, and presented to me for comparison and certification, and that the same has been compared and corrected by me and contains a full, true and correct copy of the citation; order of February 16, 1935, denying petition for attorney's fees; agreed statement of case; petition for order allowing appeal and order allowing appeal and fixing bond; assignment of errors; cost bond on appeal; and praecipe.

I DO FURTHER CERTIFY that the amount paid for printing the foregoing record on appeal is \$ and that said amount has been paid the printer by the appellant herein and a receipted bill is herewith enclosed, also that the fees of the clerk for comparing, correcting and certifying the foregoing Record on Appeal amount to..... and that said amount has been paid me by the appellant herein.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Seal of the District Court of the United States of America, in and for the Southern District of California, Central Division, this..... day of August, in the year of Our Lord One Thousand Nine Hundred and Thirty-five and of our Independence the One Hundred and Sixtieth.

R. S. ZIMMERMAN,

Clerk of the District Court of the
United States of America, in
and for the Southern District
of California.

By

Deputy.